



INDIAN SCHOOL AL WADI AL KABIR

UNIT-TEST-I -2023-24

BUSINESS STUDIES (054) - Marking scheme

Date: 28/5/2023

Time: 1 Hour

Marks: 30

Q. No.	QUESTIONS	Marks
1	c) Nominal partner	1
2	c) Peshawar	1
3	a) Uncertainty of returns	1
4	d) Human Causes	1
5	c) Chatts	1
6	a) Karta	1
7	d) The personal assets of the owner can be sold when the assets of the business are not enough to pay the debts.	1
8	d) All of the above	1
9	c) 1956	1
10	a) He has to bear losses also	1
11	b) Warehousing	1
12	d) Speculative risk	1
13	Sole proprietorship (1 Mark)	4

	<p>1. Quick Decision Making : A sole proprietor enjoys considerable degree of freedom in making business decisions. Further the decision making is prompt because there is no need to consult others.</p> <p>2. Confidentiality of information: Sole decision making authority enables the proprietor to keep all the information related to business operations confidential and maintain secrecy. A sole trader is also not bound by law to publish firm's accounts.</p> <p>3. Direct incentive: A sole proprietor directly reaps the benefits of his/her efforts as he/she is the sole recipient of all the profit. The need to share profits does not arise as he/she is the single owner. This provides maximum incentive to the sole trader to work hard.</p> <p>4. Sense of accomplishment: There is a personal satisfaction involved in working for oneself. The knowledge that one is responsible for the success of the business not only contributes to self- satisfaction but also instils in the individual a sense of accomplishment and confidence in one's abilities.</p> <p>5. Ease of formation and closure: An important merit of sole proprietorship is the possibility of entering into business with minimal legal formalities. There is no separate law that governs sole proprietorship. It is easy to start and close the business as per the wish of the owner.</p> <p>(Any 3 with explanation – 3 marks)</p>	
14	Market standing, innovation, productivity, physical and financial resources, manager performance and development, worker performance and attitude, social responsibility. (Any 4 with explanation – 4x1 = 4 marks)	4
15	<p>a. Analytical industry- which analyses and separates different elements from the same materials, as in the case of oil refinery.</p> <p>b. Synthetical industry- which combines various ingredients into a new product, as in the case of cement.</p> <p>c. Processing industry- which involves successive stages for manufacturing finished products, as in the case of sugar and paper.</p> <p>d. Assembling industry- which assembles different component parts to make a new product, as in the case of television, car, computer, etc.</p>	4
16	<p>Classification on the basis of duration</p> <p>(i) Partnership at will: This type of partnership exists at the will of the partners. It can continue as long as the partners want and is terminated when any partner gives a notice of withdrawal from partnership to the firm.</p> <p>(ii) Particular partnership: Partnership formed for the accomplishment of a particular project say construction of a building or an activity to be carried on for a specified time period is called particular partnership. It dissolves</p>	6

	<p>automatically when the purpose for which it was formed is fulfilled or when the time duration expires.</p> <p>Classification on the basis of liability</p> <p>(i) General Partnership: In general partnership, the liability of partners is unlimited and joint. Registration of the firm is optional. The existence of the firm is affected by the death, lunacy, insolvency or retirement of the partners.</p> <p>(ii) Limited Partnership: In limited partnership, the liability of at least one partner is unlimited whereas the rest may have limited liability. Such a partnership does not get terminated with the death, lunacy or insolvency of the limited partners. The limited partners do not enjoy the right of management and their acts do not bind the firm or the other partners. Registration of such partnership is compulsory.</p>	
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